

Revenue Information Bulletin No. 015-010

May 7, 2015

Excise Taxes

Distribution of Available Cigarette Stamps

During the 2015 Regular Legislative Session, House Bill 119 was introduced. As of May 5, 2015 the legislation proposes an increase in the cigarette taxes of one and twelve-twentieths of one cent per cigarette or 68¢ per package of twenty cigarettes. This instrument, if enacted as currently written, would become effective on July 1, 2015, and the increase would apply to products purchased by retail dealers and wholesale dealers on and after July 1, 2015. The increase would not apply to stamped products and unused tax stamps in the possession of wholesale dealers prior to July 1, 2015. The instrument does not require a floor stock tax and no inventory would be required other than the inventory indicated on Line 1 of the monthly tobacco tax return.

The Department is already receiving an increase in stamp orders. In order to facilitate the distribution of cigarette stamps contractually available to the Department of Revenue in an equitable manner, the Department will prioritize stamp sales in order to ensure every wholesaler's normal allotment. Each wholesaler's purchase of tobacco stamps will be limited to their "normal" volume based on historical data of purchases during the previous months. Wholesalers should contact their regional office prior to placing stamp orders for information regarding availability.

Questions concerning this matter may be directed to the Excise Division at 855-307-3893, Option 2 and then Option 1.

Tim Barfield
Secretary